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COOPERATION IN THE UNITED STATES

by

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COOPERATION IN THE UNITED STATES [1]

According to our best authorities, we are facing a food shortage of the most alarming proportions.[2] The world's food crop is insufficient for the present exhausting drain upon it. Price inflation, due to the enormous war loans, has added, and will continue to add to the financial strain upon the great mass of the population.[3] In the United States, where we have until now shared but indirectly in the assumption of the burdens of war, our people are already feeling more than the usual limits to the satisfaction of their needs. Now comes war with its wastes and debts. Are we not heading to a crisis which even State Socialism at its present rate of progress cannot meet—State Socialism, which is itself a recognition of the inadequacy of our commercial economics? And is it not the part of reason to examine seriously any constructive idea which offers a mechanism for economic reorganization?

Nobody who has through this war read the story of consumers' co-operation abroad can doubt the import of a people's economic method which can thrive under the stress of war as well as under oppression and persecution. Not only has the membership of Consumers' Societies in Great Britain alone more than doubled the previous rate of increase, but more significant still, co-operation has stood the moral test; it has been fair and democratic; it has refused to take advantage of the people's need, rather it has ministered to it.

Those who are prone to admire the consumers' movement as it reveals itself in events abroad, are told that there is little hope for co-operation here. It may be granted at the outset that we have not here a well articulated movement, yet in no country have commoners and idealists alike dreamed co-operation more persistently or attempted it more faithfully. The result is that we have from five hundred to one thousand—let us say, eight hundred—consumers' co-operative societies with an approximate membership of one hundred and thirty thousand, and doing an annual business of about fifty million dollars.

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[1] It is a pleasure to acknowledge the valuable assistance of Reuben Ross in the preparation of this pamphlet.

[2] According to David Lubin, American representative to the International Institute of Agriculture, the situation is becoming alarming. Also according to statements of the United States Department of Agriculture.

[3] Professor Irving Fisher, in the *Annalist*, March 27, 1917.

This survey has for its task to show that there is and has been in this country, since 1840, a very strong tendency toward co-operation, including consumers' cooperation. In spite of the wreckage of cooperative stores during the last three years, the movement was never more virile, nor its manifestations more widespread.

Moreover, if it be granted that the consumers' cooperative movement is a corollary of economic conditions in European countries, and that the same economic principles are at work in the United States, it will then be granted that we may with reason look for a developed consumers' movement here.

What then is to be the nature of this movement? Consumers' cooperation has taken a characteristic form in every country. In order to forecast the direction the movement is likely to take in this country, our analysis must discover the tendencies of its present incipient stages and the obstacles and conditions which are directing these tendencies.

Based on this analysis, the prediction may be hazarded that the American consumers' movement is likely to take a form more resembling continental than British cooperation.[4].

From what indication do we draw these conclusions? A sketch of events in the history of cooperation in America will reveal certain significant factors.

THE HISTORY OF AMERICAN COOPERATION[5]

The history of cooperation in the United States is one of human aspiration, heroic struggle, and repeated but never wholly crushing failure. The student of industrial history must be struck by the tenacity of the idea. It is questionable whether in any other country so many fires have been lit and smothered on the altar of cooperation. The idea has lain smoldering for a longer period during the last twenty years than at any time since 1830. Every decade up to this century saw cooperative enthusiasm burst out afresh. Both farmer and labor organizations have, at times, taken cooperation as a practical ideal. The history of these efforts exemplifies how no amount of enthusiasm and no effort, however often repeated, can atone for lack of scientific procedure.

Before Robert Owen in England, there were attempts at co-operation in this country. To provide employment for its members,

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[4] England produced the Rochdale movement; and nowhere is cooperation more powerful than in Great Britain. But, due to a number of causes, the British movement has developed something of a middle-class psychology. In other countries the affiliation of cooperation with Socialism and labor unions is more pronounced.

[5] This history is based mainly on *The Documentary History of American Industrial Society,* by John R. Commons and others. Vol. V-IX.

the journeymen cordwainers of Baltimore established a cooperative boot and shoe factory during the strike of 1794. Members of this trade made a similar attempt after their trial for conspiracy in 1806. Our cooperative history, however, does not really begin until 1830. From the time of the first vigorous trade-union fight for a shorter day, until this century, cooperation was in times of business depression and unemployment substituted for the more aggressive strike warfare. Though there were in the early part of this period cooperative stores in Cincinnati and Philadelphia, these sold below market prices and therefore failed—a persistent mistake of American cooperation.

But it was upon the rock of productive cooperation, naturally enough, that organized labor beat in the vain hope of striking the springs of life. As early as 1836 a cooperative convention was called and productive cooperatives were initiated in several trades. Very generous were the contributions; and the enthusiasm merited the caution "Be not too sanguine, or rather be not too impatient." "Think not that a day will bring forth all the blessings of cooperation—let us study plans while we accumulate capital." The experiment was, of course, foredoomed.

Unsuccessful in striking, labor again turned to cooperation in 1845. The powerful Workingmen's Protective Union (later the New England Protective Union) made cooperation the fundamental principle of its organization. Both at the Lowell and Fall River conventions the principle was earnestly advocated. Many stores were established; but, aiming at the abolition of profits, they sold at cost and went to the wall.

It is interesting to note that the New York Protective Union deliberately set out to eliminate the employing class. In their own shops the members planned to establish laws that the legislatures refused to enact. They maintained that when a majority of industries had been transformed, it would not be necessary any longer to petition the Government for protective laws, as the Government would be compelled to recognize in law conditions existing in fact. The Boston Union was desirous of having the farmer, mechanic, manufacturer and merchant belong to one firm, sharing accord to labor performed. The Secretary warned them: "You should bear in mind that millions are watching your efforts with the most anxious feelings, and are only waiting to see the problem which you have undertaken to unravel, solved, to imitate your glorious example in hundreds of instances. See then that you cherish the holy cause committed to your keeping."

When the tailors opened a shop, workers from all branches of industry crowded to hail it. "Great trust and frankness was shown, and willingness to sacrifice immediate gain or even immediate comfort." "Each member is paid as much as he needs of his earnings

in money, the balance being devoted to the extension of the concern and payments of its debts." No wonder that discouragement at failure was deep. Though five more important organizations strongly endorsed the cooperative movement (1850), productive cooperation was always emphasized, and the movement could not get a foothold.

By 1853 cooperation was abandoned for another decade. Then the International Industrial Assembly of America, with a membership of 200,000 and the National Labor Union of 1866, once more, became its hearty advocates:

"We hail with delight the organization of cooperative stores and workshops and would urge their formation in every section of the country and in every branch of business."

These bodies demanded helpful legislation, resolving "that voluntary labor associations of working men and women are entitled at the hands of legislation, state and national, to the same chartered rights and privileges granted to associations of capital." They also declared that it was the duty of each labor organization to state quarterly whether it had tried productive cooperation and what was the result. This requirement looks like the first systematic and scientific approach to the subject.

It was indeed unfortunate for the movement that distributive cooperation in those days was of the loosest nature. It did not adhere to Rochdale principles, and the stores were, for the most part, mere purchasing agencies. Moreover, there were two factors working to divert labor from cooperation. One was the increasing consumption doctrine of Ira Steward: "wages depend upon the habits and wants of the worker, so that an eight-hour day would increase wages." His theory has had a great influence upon the workers even until today. And the truth of this doctrine has concentrated labor in its fight for an eight-hour day. Such a fight has probably been the wisest course that the workers could have taken up to the present time. But certainly, for the time being, enthusiasm was diverted from cooperation.

Furthermore, the entire labor movement was at this time in the grip of Greenbackism. The National Labor Union of 1867 decided that "no system of cooperation can help labor while the credit system lasts." At best cooperation was usually regarded merely as a means to an end, not as an initial stage in the cooperative commonwealth itself. As soon as it was conceived as an ultimate reform it became a theory for discursive combat or a catchword for the use of politicians.

The panic of 1873 put an end to many schemes of social betterment, but before cooperation passed into its twentieth century slumber, several other organizations, notably the Patrons of Hus-

bandry, or the Grange, and the Knights of Labor maintained an active fight for the principle. Both of these bodies were secret, and both began life as educational and moral organizations, preaching brotherhood and the dignity of work. The Grange was an agricultural union, but in 1868 the farmers joined with the workers to stop the retirement of paper money; and then the Grangers began that revolt against the railroads which was really our radical revolution "to bring industry under the political power of democracy." By 1877 both the Grange and the Knights of Labor had grown phenomenally, and both were actively engaged in productive and distributive cooperation on a large scale. But the cooperative stores were generally mere commission houses; "and it was not the vision of cooperation held by the leaders which drew the horde of self-seeking followers, but the immediate material inducements." Soon the entire movement was transformed to the modern aggressive movement of strikes and legislation.

It is evident that labor and agricultural organizations worked for the establishment of cooperation with great enthusiasm, but without success.[6]

Numberless efforts have been made by groups of idealists, usually attempts to initiate individual cooperative enterprises, generally flanked by a far-reaching plan; or organization schemes, too large from the first; or plans to federate already existing cooperatives. On the whole, these efforts have met with far less success than those springing from labor and farmer bodies. Numberless enthusiastic conferences also have met, adjourned to meet again the next year; but almost never has the next-year meeting materialized. The Sociologic Society of America sustained an effort for over eight years without creating a movement. Not that anything has been lost. But the point is that no middle or upper class body like the Christian Socialists in England has succeeded in creating a movement here. The tendencies our sketch discovers are those of a people's struggle. It is important to note that these movements have reached considerable proportions. They made the inevitable mistakes of cooperation in all countries in its initial stages.[7] Moreover, in all countries cooperation had a fight for life until protective legislation was

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[6] Survivors of wrecked movements are still to be found in New England (Protective Union) and Kansas (Grange)—some of them very flourishing, like that of Lisbon Falls, Me., and of Olathe, Kansas. But it is worth noting that when the spirit which made them part of a movement is gone, they more and more degenerate into mere business concerns.

[7] Industrial productives without the support of a strong consumers' movement have always proved the most difficult to establish. A consumers' movement, where articles have been sold at cost, has never been practicable. Workingmen cooperatives have learned something from the past. Their societies are seldom a part of any other organization, however closely affiliated; cooperative distribution is more and more substituted for cooperative production; Rochdale methods are more and more adhered to; and a conscious effort is made not to give credit.

procured Considering these things the success of these early impulses was remarkable. Their ultimate failure, therefore, does not forecast failure for movements of this character, while their temporary success is significant. How is the situation as it stands to-day? What is the present status and nature of consumers' cooperation in this country?[8]

EXTENT OF PRESENT DAY COOPERATION

From various sources drawn upon in conducting the investigation leading to the writing of the present pamphlet, the number of cooperative stores in this country may be roughly estimated at 870.[9]

According to various other estimates, the number of Cooperatives has ranged between 400 and 1,000.[10]

From Florida, the seat of several idealistic cooperative experiments, and "Where every local has at least a buying club," if not a store, diagonally across to Washington where in 1914, was recorded the State Federation of 60 stores; from California, with between 30 and 40 stores and a wholesale, to New England, which has

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[8] There are a variety of forms of consumers' associations, but the vast majority are stores. The term will, therefore, be used indiscriminately for a distributive association unless otherwise specified.

[9] The statements and conclusions of this supplement are drawn from books, periodicals, letters, questionnaires, bulletins and official reports. Circular letters were sent to 200 officials of the labor and Socialist organizations, and to members of all the chapters of the Intercollegiate Socialist Society; requests for appeals for information, to about one hundred Socialist and one hundred labor papers; letters to all the Secretaries of State requesting copies of cooperative laws for 1915 and 1916, and lists of cooperatives; letters to about 75 secretaries of miners' unions; letters to the secretaries of all the state locals of the Farmers' Educational and Cooperative Union. The correspondence of the investigation includes almost 3,000 personal letters. Ninety-eight I. S. S. questionnaires and 45 Socialist Party questionnaires were returned and examined. The writer has likewise examined 60 government and 61 Minnesota bulletin questionnaires. A comparison of interesting points brought out by these answers may be found in the appendix.

The Agricultural Department at Washington has a strict ruling against the giving out of information before publication of bulletins. It has been preparing a bulletin upon cooperation which is soon to be issued. This has rendered it impossible to get such information from the government as might have been looked for. Mr. W. Kraus and Dr. Helen L. Sumner generously put their collections and correspondence on consumers cooperation at our disposal. Free use was made of the correspondence of the Cooperative League of America and of the results of about 1500 circular letters issued to stores by the League.

The 45 answered questionnaires before referred to, together with two years of correspondence, was most kindly turned over to the I. S. S. by Mr. Winfield R. Gaylord. This was an investigation on behalf of the Socialist Party.

The most accurate estimate of the number of consumers cooperatives that we have been able to secure is based on the following figures:

New England States, 58 in 1913, report by Prof. James Ford of Harvard University. Some of these stores have failed, but others have taken their places.

Middle Atlantic States, 30 in New Jersey and New York, including five large buying clubs (statement of the Cooperative League of America); 16 in Pennsylvania (according to reliable letters, 1916).

Southern States, 16 in North Carolina (Farmers' Educational and Cooperative Union, 1916); 15 in Tennessee (Farmers' Educational and Cooperative Union,

doubtless maintained the number of 58 stores registered by Professor Ford in 1913, the cooperative movement is gradually gaining headway. There are in fact only two states from which no cooperative store has as yet been reported. The vitality of the idea in the American mind is evinced by the intrepid recurrence of experiments, in the face of daily defeat, all over the country and at all times. From a sentimental point of view there is something wistful in the way our people have cherished the image brought with them from their native countries; and thousands of obscure and isolated persons have, in their obscurity, given form to it in some sort of cooperative enterprise, unconscious of the host of their co-workers realizing the same image.

1917); 60 in Louisiana (N. O. Nelson, 1917); 7 in Virginia (Farmers' Educational and Cooperative Union, 1917).

Middle Western States, 67 in Illinois (State Federation of Labor and F. E. and C. U., 1917); also 12 in Illinois (Cooperative Organization Bureau, 1916); 23 in Iowa (Secretary of State, Cooperative Federation, 1916); 200 in Kansas (State Secretary of F. E. and C. U. of Kansas, 1917, and corroborated by a cooperator in Kansas. The Kansas State Agricultural College, however, reported only 65. This state has a jobbing association in Kansas City which does business up into the millions annually); 18 in Michigan (College of Agriculture, 1914); 125 in Minnesota (University of Minnesota report, 1917); 12 in Nebraska (the Agricultural Experiment Station of Nebraska, 1914, and 15, F. E. and C. U., 1916); 15 in Ohio and West Virginia (Wheeling Majority and others, 1916); 67 in Wisconsin (University of Wisconsin, 1917. Others are known to exist).

Far West, 40 in California (Pacific Cooperative League, 1916); 11 in Montana (So. Equity of Montana, 1916); 11 in Oregon (Agricultural College of Oregon, 1916); 60 in Washington (State Federation, 1914); 4 in Wyoming (F. E. and C. U., 1916).

Secretaries of State reported 5 stores for North Carolina, 79 for Wisconsin, 85 for Montana, 51 for Nebraska, 20 for Oregon, 25 for Michigan. Many stores, however, do not report to the Secretaries of State; many do not incorporate. These were selected from a long list of cooperative associations, whose titles indicated that they were probably stores. These lists are unfortunately of little value.

The Finns reported 100 stores to the Equity News, 1917. About 460 stores have been named by our correspondents; as corroborative evidence this is significant.

So far as the limitations of the inquiry would permit, care was taken to obtain accurate information, but response was meagre and contradictory. Finality is not claimed.

In presenting the above figures dealing with the extent of the cooperative movement, we have referred merely to consumers' cooperation, since there are many who maintain that agricultural cooperation does not possess the same possibilities of reconstructing present industrial society. We must admit, however, that seven thousand agricultural cooperatives strongly influence the situation.

Several studies bearing on consumers' cooperation are promised for the spring of 1917. These studies are: A bulletin on cooperation in the United States, by the U. S. Department of Agriculture; a Finnish bulletin on Finnish cooperation in this country; the report of the Conference on Marketing and Farm Credits; a bulletin of the University of Minnesota on cooperation in that state; a survey of American cooperation, by Prof. James Ford, in the American Year Book, 1916; and a census of stores to be taken by the Cooperative League of America, 70 Fifth Avenue, New York City.

[10] Mr. N. O. Nelson estimates the number of stores in the United States at 1,000. He thinks there are a few old stores and several hundred new stores each year. (See *Outlook*, Feb., 1916.) Mr. W. M. Stickney estimates the number at 540. (See *Report on Conference of Markets and Farm Credits*, 1915.) A recent issue, Bulletin 394, of the Department of Markets, gives an estamite of 400. See also John Graham Brook's article in *The New Republic*, Feb., 1915, 350. The Secretary of Commerce and Labor reported a list of cooperatives to the Senate. The Finns have sent a list to the I. S. S. containing the names of 85 consumers' cooperatives.

It is, therefore, obvious that there are a considerable number of cooperative stores in this country. One obstacle in the way of making a true estimate is the inability to find out whether those stores calling themselves cooperatives observe the cooperative ideal. In a true cooperative store modeled after the Rochdale Plan in England, every member has one vote and one vote only, irrespective of the number of shares he possesses; membership is open; "dividends" are paid in proportion to the amount of purchases. Furthermore, the number of shares that a person owns and on which he receives but a small specified rate of interest are generally limited; credit is rarely extended; goods are generally sold at the same price as that asked by competing merchants, the benefit being derived from the subsequent dividend.

On the whole there is no reason to believe that any large number of stores included in the estimate are spurious. It is worthy of note that only one of the 124 replying to the two questionnaires, stated that voting was based on the number of shares held.[11] Most of the states, however, that contain the greatest number of stores have cooperative laws that insist on equal voting.

Only a small minority of those answering—15 out of 98—refuse to follow the Rochdale plan of selling at market price. Twenty-one state that they give no credit extending longer than a week. Unfortunately but 10 out of approximately 100 stores report that they have set aside anything for educational purposes. About 15% of those answering state that they have failed to incorporate under a cooperative law. Nearly one-fourth—25 out of 95—placed the value of a share of capital at the somewhat high price—according to European cooperative standards—of $100. Except in the case of those answering questionnaires, those in such well-known groups as the miners and those personally known, it has been almost impossible to distinguish farmers' stores from others. About half of those answering questionnaires were farmers, and almost certainly a large majority of the cooperative stores in this country belong to the agrarian population. Even the Finnish and the Illinois movements include farmers' stores. There are probably not over 250 cooperatives controlled by industrial workers, even if we include the 60 stores partly financed by N. O. Nelson. There exists surprising lack of differentiation between farmers' and consumers' cooperation.

Cooperatives in America may be roughly divided into four groups: (I) those fostered by labor organizations and Socialist groups; (II) fostered and promoted by leagues and individuals; (III) unattached groups of consumers, Socialist, labor and pure

[11] The bulletin of the Department of Markets and Rural Organization finds 5 out of 45 so voting.

consumers; and (IV) farmers' stores, fostered by government and other organizations. The cooperatives that up to the present have shown the greatest promise of future development have been those which have been in some manner connected up with labor, Socialist and farmers' movements.

I. Labor Organizations and Socialist Groups

A. Cooperation Among the Miners

Perhaps the soul of the American movement may be found among the soft coal miners of Central and Southern Illinois. Though cooperation here is still young, it gives splendid promise of future growth. These miners, though strongly organized, have for years been seriously limited in their struggle to better their conditions through the competition of the unorganized fields just south of them. Something more, they felt, had to be done than merely following the ordinary tactics of unionism. Various forms of cooperation were instituted. Not only were the men bound together by mutual duties and obligations; but they taxed themselves to rear labor temples, as at Staunton and Royalton; hospitals, as at West Frankfort; to provide funds for accident and death benefits and funeral costs; and to organize the manufacture of funeral requisites at low cost. The locals even taxed themselves to establish purchasing organizations and union stores—notably at Staunton—and the District Union has frequently loaned money to cooperative stores at a low rate of interest.

At the second convention of these stores, held in the summer of 1916 at Staunton, Ill., a most significant spirit of earnestness—almost of consecration—was shown by the sixty or more delegates. The speech of President John Walker, their organizer, will be read appreciatively in years to come.

Some of these cooperative stores are struggling; several have found firm footing and are the pride of their members. But almost without exception they have had their fight for life. Inexperience and disloyalty within the group; and competition, bitter and often vicious, without, have sometimes threatened to close their doors. Despite these obstacles to their progress, about forty-five stores are now bound together in the Central States Cooperative Federation.

At the head of these successful societies must be placed the Gillespie Cooperative Society, started in 1912. This society owns and operates the finest grocery and dry goods store in Gillespie. It has prorated over $15,000 patronage dividends; its share capital amounts to over $5,000; loan capital exceeds $10,000. It has more than 200 members, and a successful record of picnics and growing sociabil-

ity in its membership. It began business in the "most expensive town in the state," sold under the extravagant local prices, and then beat the mail order prices; till finally it could boast that it had reduced the prices of groceries in the town no less than 15%, while at the same time paying 10% in dividends on purchases to its members—a total saving to the latter, therefore, of 25%.

The Illinois movement is a refutation of the persistent statement that cooperation is almost impossible among mixed nationalities. In some of these stores several nationalities meet at the counter and at the directors' table; but they have common interests enough, in their union, their needs, and their desire for a better social order.

We have before us the reports of twelve Illinois miners' store societies. They have a total "income" for one quarter of about $200,000. They declared an average dividend on purchases of over 8%. This last is a substantial saving of the members' money. One of the stores has from the first regularly paid a dividend of 12½%.

The Union Supply and Fuel Company at Staunton is owned by the local union and sells to members at a nominal profit, somewhat on the Belgian plan. This society has recently purchased a $9,000 warehouse.

Cooperation at West Frankfort is worthy of further mention. At a cost of $1 per member medical care and surgical care, including hospital service, is provided for the members; their families pay a moderate fee only for surgical and hospital care. A handsome hospital building, the finest in West Frankfort, is now about completed and the miners are frankly proud and happy over this cooperative achievement. Even the builders and carpenters expressed a satisfaction in the work as befitting the true dignity of labor.

Across the state border, in Indiana, cooperation is making headway in spite of the disastrous experience in Indiapolis, where a large department store enterprise, supported by the miners, failed after a few months' precarious existence. The Linton Cooperative Store has made a vigorous beginning. The miners in Indiana are also running a cooperative coal mine.

The manner in which a cooperative may be depended on to assist workers—even non-members—in times of distress was interestingly brought out in the 1916 convention of the United Mine Workers of America, District No. 11, in a speech by Delegate Houston:

"The old brother says his local never had enough to take care of anybody that got disabled," declared the delegate. "I just want to tell you that there was a brother in the Clinton field lost his leg a short time ago. The Clinton cooperative store contributed to that

man, although he was not a member of the store. They contributed six times more than any other store in the field, or any private individual."

The miners' cooperative societies of Illinois have changed the name of their federation from the Illinois Cooperative Society to the Central States Cooperative Society, and they hope to gather in the store societies of adjacent states. They have a central auditing system, and are undertaking to employ a visiting advisor and to establish central buying.

B. The Finnish Socialist Cooperatives

The Cooperative movement in this country that shows the greatest amount of integration and which most closely resembles the Belgian movement, is that of the Finns. It is co-extensive with the Finnish Socialist Party membership itself, and the members are mostly union men. National, Socialist, and labor interests constitute a strong bond. In the cities the Finns are crowded into close fellowship. Their stores, however, are federated all over the country. The following description of the Finnish Cooperatives, reported from a speech delivered by Mr. S. Nuorteva, an editor of the Finnish paper, before the Cooperative League of America in January, 1917, shows the remarkable character of this organization:

"There are 141 cooperative establishments of the Finns in this country, with assets of, approximately, $2,500,000 and with an annual business of $4,100,000. This makes a yearly business of something like $20, for every man, woman and child of Finnish extraction. More specifically, there are some 35[12] grocery stores with about 12,000 members, and a yearly business of $1,800,000; 4 cooperative mills with an annual business of $30,000; 3 bakeries with a $60,000 business; 26 boarding houses with a turnover of $200,000; 3 cooperative publishing houses; 3 daily newspapers; 2 monthlies; 2 weeklies. The Finnish publishing houses distribute something like $100,000 worth of literature during a single year. About 5,000 members belong to the publishing association, and the total business of these cooperative publishing plants aggregates about $400,000.

"The Finns have also gone into recreational cooperation, and have established 2 cooperative amusement parks which do an annual business of about $8,000. There are numerous associations which have established meeting halls, and which conduct such social and literary activities as dramatic, musical, educational courses, etc. The value of the property which is used for meeting purposes is something

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[12] J. Nummivuori, Secretary of Finnish Federation of Stores, reports double that number. A Finnish bulletin on cooperation was to have been issued before this, but has been held up because of financial stress.

like $1,200,000. The Finns of New York have just purchased a five-story structure which, when complete, will cost $150,000. This will contain a library, club facilities for members, billiard-room, bowling alleys, etc.

"Three years ago a cooperative bank was organized in Massachusetts, where there is a good state cooperative banking law, and something like $260,000 has already been deposited there. The bank supplies new societies with funds, and acts as a final clearing-house for cooperators.

"Interesting is the story of the growth of a cooperative cannery on the Pacific Coast, known as the Union Fishermen's Company, which, however, has unfortunately lost of late some of its cooperative features.

"This cannery is now the biggest salmon company on the Pacific Coast. Thirty years ago the salmon interest was in the hands of a capitalistic company which paid to the fishermen from 1 to 1½ cents per pound. The exploited workers went on strike. The strike was bitterly fought, forty or fifty lost their lives and the federal soldiers were eventually called in. Many of the workers returned to their posts, disheartened. The most active among the Finnish workers were black-listed.

"These established a cannery which soon grew to large proportions. The cannery, however, found that its credit was soon stopped and that the railroads placed numerous obstacles in its way. To save themselves, the cooperators cut away from the American market and soon captured some of the European markets, becoming the best-known cannery of high standard on the coast.

"The cooperative movement among the Finns is but a side issue. All the societies have been established by Socialist locals, and have been used as schools in which the workers might become more efficient, and might be more capable of working industrially and politically in the class struggle."

II. Cooperatives Fostered and Promoted by Leagues and Individuals

Cooperative life of the degree just described, manifesting itself in different mutually sustaining activities, has never been noticeable in promoted cooperation. Promoted and encouraged groups have held the field, however, during the last twenty years. In sharp contrast with the steady, united, purposeful growth of the labor group,

reads the history of these efforts. Their work of testing out methods has been invaluable, we must admit. They have not, however, the kind of store that sustains a movement. The Right Relationship League[13] and the California Rochdale Union are striking examples of this kind of group. Both have had a very hard struggle and have only been saved by the enthusiasm of their leaders. In spite of this they have suffered sharp declines and their units have never shown much cooperative spirit. The Right Relationship League, reorganized as the America Rochdale League, in spite of the loss of its wholesale, reports again a bright outlook; and the California movement, bravely backed by the Pacific Cooperative League of 900 members (stores and individuals) has rescued its wholesale and got on its feet once more. Unfortunately both groups have lost their periodical publications. Both, evidently inspired by English success, have, while adhering quite closely to Rochdale methods, shown a rather decided commercial spirit.

After establishing a very successful store at Leclaire, Illinois, N. O. Nelson has now organized and is financially fostering about 60 stores in Louisiana. His plan is to sustain them until they are strong enough to assume complete financial responsibility. The membership is from the working class, but just what spirit governs it we have been unable to ascertain The methods are Rochdale except for selling at cost. The American Cooperative Organization Bureau and the North-Western Cooperative League are two other promoting organizations. To be mentioned also is the Cooperative League of America, New York City. This League is a propaganda body, purposing to extend cooperation throughout the states. Several genuine workingmen's associations are affiliated with it. These societies were members of a union which, had its units been homogeneous, might have equalled in strength and distinction the miners' cooperative movement. Its organ, the Cooperative Consumer, has been taken over by the League; but the group still maintains a number of sturdy units.

III. Independent Stores

Only where working men have themselves originated and carried forward the idea do we find anything in the country resembling in spirit that of the miners and Finns. We find it at Charleroi[14] and

[13] The Right Relationship League was honestly conceived. Many of its stores have passed into private hands. It had organized nearly 200 stores and initiated a chain store plan, when a decline set in. In the first place, it was not well supported by its own stores; only 6 or 8 of these subscribed to the League's organ when this was no longer compulsory. At one time the books were loosely kept. (Final report of the Investigating Committee of the Cooperative Stores of the Northwest.) In buying out private stores notes were received to too large an extent.

[14] Charleroi constitution: "We are organizing for the future. We consider per cents of today subordinate to the economic safety of the years to come. We sink our individual trade-marks in order that our life may become beautiful in brotherhood."

Banksville, and generally in the Pittsburgh district, at Wheeling and the neighboring towns of West Virginia, and in the Hocking Valley of Ohio, where the movement is rapidly advancing. The bond is labor and Socialist. Belgian methods are prevalent. But federation is needed, and probably vigorous leadership. Some of these stores have held their own for a number of years—much longer than most cooperatives.

More scattered but of the same nature, and holding ground where others have gone down beside them, are the Purity Cooperative at Paterson, N. J., the West Hoboken (N. J.) Cooperative (originally I. W. W.), the Haledon (N. J.) Cooperative, the Workingmen's Cooperative of Queens Co., Brooklyn, the Industrial and Agricultural Cooperative Association of New York. The North American Cooperative of Philadelphia and the Reading Socialist group differ from these in that they are organically united with the Socialist Party.

IV. Farmers' Cooperatives

This paper has not attempted to describe the numerous farmers' purchasing and selling societies, cooperative grain elevators, banks, telephone companies, etc., partly because an extensive investigation of these agencies is now being conducted by the government, partly because productive cooperatives take on more the form of the joint stock company than that of genuine cooperation. Though there are many farmers' stores, to judge from our questionnaire, little social interest exists in these;[15] the manager is frankly indifferent and, with the membership, considers the association as a commercial enterprise. Though perhaps not generally so considered, it is the opinion of the writer that they should not be regarded as a part of the consumers' movement at this time, because they are not working toward the organized consumers' goal. The farmers' store is subsidiary to the farmers' productive movement, and is not yet a unit in a store movement.

OBSTACLES TO AND DIRECTION OF THE COOPERATIVE MOVEMENT

Perhaps not conclusively, and yet with significance enough, the facts so far as we have been able to collect them, sustain the thesis that the American Consumers' Movement will resemble German and

[15] The Svea Association of Minnesota appears to be an exception to this generalization.

Belgian cooperation in its close affiliation with organized labor. No middle class consumers' movement has arisen; and such movements when promoted and encouraged have not shown marked vitality. On the other hand, we can point to two lusty consumer growths from working-class soil and clinging closely to the soil from which they sprung. Moreover, with the exception of a few survivals of buried movements, the most vigorous independent stores are those of the same social origin and form as those of the two working-class movements mentioned above. Among these also are some of the older and more experienced stores.

What conditions and obstacles do we find directing consumers' cooperation into its present course? The difficulties of a consumers' movement in the United States are constantly brought to our attention. But these are for the most part indispensable obstacles to a movement with a middle class outlook only.

"Lack of thrift"; of rigid "class lines" (permitting prosperous workmen to desert their class); fluidity and heterogeneity of population; extent of area—these are difficulties which if surmountable will necessarily force cooperation to take new forms. If the movement is to be motivated by thrift we must indeed wait. Belgian cooperation substitutes other motives. Social bonds take the place of blood and propinquity. The American cooperative movement must follow lines of cleavage, of least resistance, of transplanted nationalities, homogeneous occupation, and must be bound in the much stronger and closer ties of common interests and enthusiasms. In other words, our movement must be class conscious. Moreover a strong enthusiasm can hold its leaders, and difficulties of distance and heterogeneity merely require elaboration of organization.

Modern commercial competitors (chain stores and mail order houses) are not obstacles to a loyal membership.

Nor are these difficulties to be regretted. Though it make cooperation harder to launch, obstructions in the way of an easy development should force it into deeper channels, and give it the stamina necessary to make of it a social movement. If a perfected machine could be easily and rapidly devised, could it not be as readily captured by a bourgeois society? On the ground of tactical expediency some cooperators urge a middle class entrance upon the economic stage. Upper class initiation does a valuable propaganda work. But already some British cooperators have begun to feel a lack of thoroughgoing working-class spirit in the British movement, a lack which may be due to this sort of initiation. But, after all, as a social reform what, if not an increase of class consciousness and collective action, has cooperation to offer? As a palliative it is, to say the least, questionable. As an education in democratic management it offers something, but the process is slow. It is not so

effective in this respect as claimed by theorists. The function of membership is largely that of election. When the membership "interferes" with management, disaster ensues. There is little indication that members learn through experience to exercise greater wisdom in their choice of officers; and it is getting to be the recognized part of "wisdom" to pay well for a trained manager and let him manage "without interference from men with no knowledge of business." The board's function becomes easily the negative one of a check.

When the industrial core of the movement has expanded enough to take in a large part of its membership as workers in its mines and factories, then indeed may there be ample opportunity for democratic management. But that time has not come even in highly organized cooperation abroad. Let us grant, however, that though foredoomed to economic failure, cooperative workshops, as an educational method, are not a failure Control of work and its conditions are at the basis of democracy. Democratic freedom demands the right of each man to choose a job fitted for him, and in his eyes socially useful, and creative; to be in at its inception and its completion and destiny; to be responsible for this work. Democratic management is his method of achieving this, while adjusting the machinery of team-work and economy. Cooperative workshops, in grappling these problems, cannot be reasonably excluded from the movement. Failure would not be inevitable to these enterprises were the consumers' movement more elastic, as men in the English movement are beginning to point out. The writer has come to feel the consumer versus producer argument[16] somewhat abstract and academic. As a bit of logic the exclusive consumers theory is not without its allurements. The right of every man to life is the basis of sound democracy. Society cannot shirk its responsibilities to its non-producers, the feeble, aged, insane and lazy. Nor is the assumption that the incentive and reward of labor is the product of labor at all justifiable. On this undeniable truth is based the consumers' movement. It is very pretty to conceive cooperation as radiating from a point and like an invincible army, advancing on all sides until it has captured industry and conquered the world. Something like this does of course occur, but other things occur simultaneously, and it is high time that the steady march onward showed itself within the consumers' movement at the industrial end of the line. Evolution is always complex, several somewhat similar manifestations of the same force occur at the same time, one having the advantage in one respect and one in another; together they represent a tendency, a real move-

[16] In England there has been much controversy between labor copartnership and consumers' cooperation, as to the relative values of their respective points of view. After a bitter fight it has become generally recognized that organized consumers are the more effective form of organization. Labor copartnership is generally seen in a productive enterprise where the workers are shareholders and have an equal voice in the election of their officers.

ment. Consumers' cooperation, based soundly as it is on the economic need of everyone, as a neat device for expansion and self-propagation is incomparable, but followed as a formula, appears external and mechanical. Only as the cooperative movement ultimately harmonizes the variant elements in its own composition can it develop a form of organization equal to the movement. It is natural that after the battles on this subject cooperators abroad should tread lightly. But science makes no headway, where its premises are not persistently re-examined. And in this country, where we open no old wounds, cooperators can dispassionately consider each phase.

THE SIGNIFICANCE OF AGRARIAN COOPERATION

We have already pointed out important obstacles to American cooperation. Another important problem arises from the fact that the farmers' movement has organized before the consumers; and the vast majority of consumers' stores are farmers' stores. However, these farmers have Socialist and radical bodies already at work on them. Not distinctly radical, but numbering many Socialists in its membership, is the Farmers' Education and Cooperative Union. The Union is spreading rapidly in the South and Southwest. From Texas, where it originated in 1902, it spread to the Dakotas, Illinois and the Southeastern coast—and includes 23 states and 3,500,000 members. It claims to have obtained the establishment by the government of the Department of Markets and Rural organizations, and is unquestionably the strongest farmer organization in the country. Its organ is the *National Field*. The Union's purpose is to encourage all forms of cooperation. It has an unknown and increasing number of stores, which are organized on the Rochdale plan. Something of its spirit may be inferred from the fact that no one may become a member if engaged in banking or law, or belonging to any commercial club, trust or combine engaged in any kind of speculation. In Illinois these union stores are somewhat loosely affiliated with the miners' stores.

An organization somewhat similar to the Farmers' Union is the Ancient Order of Gleaners, with a membership of over 80,000 and assets of over $1,000,000. This order is much older than the Union, yet only since 1907 (the date of the establishment of their business clearing-houses), has it been really established on cooperative lines. It claims to be "the first to discard the old theory that man would organize, work together or stick together simply through the desire to win an extra dollar in life's scramble for dollars." The Gleaners have distributed more than $2,000,000 in benefits. But they have not yet evolved any form of genuine consumers' coopera-

tion.[17] The Grange is still a powerful farmer organization, but its work in the cooperative movement belongs more to the past than the present.

Finally the American Society of Equity is a cooperative propaganda and organizing body, many of whose officers are Socialist. It has a large and rapidly increasing membership in 18 states and two organs, the *Equity News* and the *Organized Farmer*. It has undertaken a broad social program, definitely setting itself the task of coordinating producing and consuming bodies. It has called a conference of farmers and laborers, and two conferences of the American Federation of Organized Producers and Consumers, "represented by the American Society of Equity, the Farmers' Educational and Cooperative Union, the Grange, the Gleaners, the Confederation of Labor, the United Mine Workers of America, etc." These conferences issued exceedingly radical platforms. This must be considered significant and important whether it produces immediate results or not.[18]

Significant also are the number of farmer and laborer cooperatives and a number of producer-consumer leagues in the Southern[19] and Southwestern States.[20]

In Oklahoma, where all issues appear to be more clearly defined than elsewhere, the farmers' cooperatives are frankly Socialist. The Socialists have in Oklahoma City the Southwestern Cooperative Society with a wholesale purchasing department. "The spirit of this organization is to be unity of action and solidarity of the working class in the interest of their purchasing and producing power." The plan is to supply 100 local cooperative stores throughout the State. In Mt. Park, Oklahoma, is the Consumers' Cooperative Society of Oklahoma, whose membership is composed almost wholly of farmers and wholly of Socialists. It pays no interest on shares and limits share ownership to one. A poor man may enter without payment, applying his profits on his share.

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[17] The *Cooperative Journal*, the organ of the grain elevators, should not be omitted in the mention of these socializing forces playing upon the farmers.

[18] The general organizer of the National Agricultural Organization Society advises federating of consumers' stores and establishing their credit, so that they may be in a position to bargain with the agricultural societies. The business manager of the Wisconsin State Union of the Society of Equity is doing a large business for 200 farmer societies, but his sales are not made to store cooperatives because they cannot handle car lots and have not a good credit status.

[19] As, for instance, the Constructive Industrial League, of Eustis, Fla., organized in 1909. The Producers' and Consumers' Cooperative Association of Tampa, Fla. (1916), and the Industrial League of America, organized in 1908 in Tulsa, Oklahoma.

[20] The Farmers' and Laborers' Mercantile and Produce Co., of De Kalb, Texas, with shares of $10 each, extending no credit and possessing a large Socialist membership.

The Government Department of Markets and Rural Organization; the three National Conferences on Marketing and Farm Credits[21]—representing an aggregate membership of over 1,000,000; the National Agricultural Organization Society and an unincorporated sustaining society, the American Agricultural Organization Society, are bodies whose object is to foster rural cooperation.

The National Agricultural Organization Society is much troubled by the exorbitant charges of promoters in the agricultural cooperative field—packing plants in Wisconsin "promoted at an expense of 17½% to 25%." "In addition to that some of the stock has sold at considerably above par." There has been a great deal of misrepresentation by promoters who guarantee as much as 20% on stock, when the Wisconsin law limits the interest on stock to 8%. "Because of this abuse a great many farmers are losing faith in all forms of cooperative endeavor."

Amongst all these agencies we must not forget, in estimating the future possibilities for agricultural cooperation, the preparatory work of the Non-Partisan League. Although a farmers' organization, it has the endorsement of labor unions. It is working for single-tax legislation and for breaking from the farmers the shackles of the banks and politics. It claims that the aim of the politician is to keep the farmer and the labor unions apart; therefore it endeavors to bring them together.

This agrarian situation is very difficult to interpret, and yet, in America, very basic to cooperation. What is to be the relation of this great discontented and exploited mass of farmers to the consumers' movement? And what of government fostering agencies and others? Was David Lubin right in his deductions?

"Under the belief that with reinforcement of sufficient strength the conservative farmers would prove more than a match for the control of the Socialist radicals of the cities, the ruling power of Germany devised and enacted into law the economic systems of rural credits and marketing now operating there. Experience has since proven that the rulers of Germany were in the right; not alone does the present advantageous economic status of the German farmer, under these systems, hold in check the Socialism and Radicalism of the German cities, but it has also strengthened Germany so as to render her almost invulnerable and invincible. The present unorganized farmer," he contends, "must end in converting this American democracy into a full-fledged autocracy as surely as the present democratized power of Germany's farmers must in the end convert the German autocracy into a full-fledged democracy."

Here is one point of view, and there is this to be said, remembering that tenant farming is rapidly increasing: If the farmer can learn the lesson of organization and democracy while he is still among the

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[21] We note that the Equity organization, the American Federation of Organized Producers and Consumers, states in a circular letter that "rural credits are only one phase of the monetary system opposed" by organized farmers and laborers.

exploited classes, and brought into their class-consciousness, the case may not be hopeless, even though the consumer and producer do stand on different sides of the counter; for the cardinal principle of cooperation is the economy of mutual adaptation. The man who sells may be made to see that it is to his advantage to take less for his goods in consideration of getting a good customer, and the purchaser could afford to pay more for a steady and reliable market; and both could be brought to see that something must be sacrificed by both to make headway against a common evil.

One dare not prophesy; the tenant farmer may prove the true ally of the proletariat; on the other hand the propertied farmer may never achieve a working man's point of view. One can but conjecture. At least it is easy to see that a large, well-organized farmer factor may alter indeterminately the course of cooperation in America.

Without doubt the struggle of cooperation here will have to be titanic. To usurp the place of the reigning commercialism, every resource will have to be called upon. It is possible to be too catholic, or contrariwise to be too partisan; no nostrum can cure the world. And the worst of it all is that no one really wants freedom—the working man no more than the intellectual. Both in deeds declare allegiance to a bourgeois society.

ADVICE TO COOPERATORS

Before closing, a word to cooperators. We have not pushed a vigorous campaign to obtain protective laws. In many states stores must, to get limited liability, incorporate under corporation laws which rule that voting shall be according to the number of shares owned. In order to get around this, some stores in Illinois, for instance, limit to one the number of shares owned by one person. This should not be. There are also legal difficulties in forbidding the transfer of stock—a prohibition essential to the safety of a cooperative; and legal obstructions to one society owning stock in another—a necessary feature in the organization of a cooperative wholesale. Government persecution, as in Germany, may stimulate cooperation, but this *laissez faire* suppression is another thing. The English movement floundered like ours until protective laws were obtained, and then tremendous strides were made.

Cooperators in this country have not instituted a vigorous propaganda. Enlightened men and women still think of cooperation as a middle-class and shop-keeping movement; a penny-saving device. But the fact that cooperation is really democratic and open to all

does not detract from its working-class character, for it is indeed only available to those who can conceive and practice a democratic form of association. And this, by its nature, tends to exclude the commercial. The necessity which drives to the conception of a co-operative, the zeal and sacrifice necessary to maintain one, are products of a working class.

We have the idea of collective action through ballot and strike. We must also get control of a collective fund. This we can get through cooperation without drawing on our already too limited individual resources. And through the very process of its accumulation, the spirit of solidarity is engendered. Cooperation assumes nothing in its members but a common need. With this basis it educates in social consciousness until it reaches the point of consciously controlled collective action. From there on, nothing can stay its progress. The Land of Promise opens to the view.

In conclusion, it must be reiterated that cooperation in the United States bids fair to realize this social mind and in a not far distant future. Its past efforts have been marked by solidarity; and present indications are that it will be espoused by labor and Socialist bodies, and individuals already trained in social thinking; and that, in these hands, it will be made the great instrument for social justice here that it is becoming in other countries.[22]

[22] Single copies of this pamphlet may be obtained at 10 cents. Special rates will be quoted for orders in bulk.

APPENDIX

CO-OPERATIVE LAWS

Professor McPherson, of the Bureau of Markets and Rural Organization, writes that the Bureau has compiled a digest of all the cooperative laws which have been enacted in thirty states. This digest is not yet available. Most of the states, however, he declares, are revising their laws. Reports of these revisions cannot be obtained until later. Mr. Brand, of the same Bureau, supplied us in 1916 with the names of the following twenty-five states which, he said, had cooperative laws: Ala., Cal., Colo., Conn., Fla., Ill., Ind., Kans., Mass., Mich., Minn., Mont., Neb., Nev., N. J., N. Y., N. C., N. D., Ohio, Ore., Pa., S. D., Wash., Wis. and Wyo. Three others, Miss., Okla., and S. C., had had cooperative laws drafted by the Bureau, but had not yet adopted them. Letters from the secretaries of state brought answers which corroborated this list, with the exceptions that Ala. and Nev. had no cooperative laws, and that Idaho, Va., R. I., and Iowa, which were not on the list, had cooperative laws. Okla., Pa., Ohio, Ind., Conn., and Fla. had no pamphlet editions of these for distribution. Letters from Kansas, Ore., and N. H. state that legislatures in session are revising the laws of those states.

After a cooperative obtains limited liability through incorporation, the most important points for its legal safeguarding and encouragement are: (1) provision for equal voting (not according to investment); (2) provision for a wholesale (permission to take stock in another cooperative); (3) prohibition of the transfer of stock (permitting its accumulation in a few hands); (4) provision for the distribution of dividends on purchases; (5) for a reserve fund, and (6) a propaganda fund, or (most important and heretofore neglected) (7) provision for accumulation of practically all funds, if so desired. This could be for purposes of "charity" if necessary. No state makes the last provision, and New York alone makes all the others. Wis., Mass., N. Y., Va., N. C., and Ia. are the only states having education funds—5 per cent., except N. C., with 2 per cent. Wis., Va., Kans., Wash., Ore., Wyo., N. J., R. I., and Ia. have the first five provisions, except that of the non-transfer of stock. Since there is in every case a limit (of $1,000 or one-fifth of the capital stock) to the amount that may be owned by any member, this need be no difficulty. Mich., Mass., Mont., and N. C. add to this omission that of a wholesale provision. N. D. has no wholesale provision, but has a non-transferrable clause. N. C. also permits voting by proxy. Minn. has the equal voting and wholesale clauses, but not the others. Nineteen states have equal voting; but Ill., which in many other respects has a good law, does not permit this. The cooperatives of Ill. have to limit the shares owned by one member to one, in order to retain their cooperative nature. (Ill. had a hard fight for even its present law. The farmers and miners raised at one time between $3,000 and $4,000 in twenty minutes to carry on the fight.) The Neb. law has almost no cooperative features.

Cal. and Idaho have no capital stock; the cooperatives are organized on a membership certificate plan. Mont. has a unique plan of shares of different value, but no one can own more than one share or have more than one vote.

Iowa wisely inserts a clause to the effect that the highest indebtedness must not exceed two-thirds of the capital stock. N. D. forbids loans to stockholders. In many ways the states attempt to protect the societies from financial risks. A number provide that stock must be paid up before the share is issued, but usually members can vote after making a part payment. Some states define the amount necessary to be paid up before the society can do business—60 per cent., 50 per cent., or 25 per cent. The incorporation fee is usually $5 or $10. N. Dak. has raised it to $30. It should be kept low.

There is no reason why the societies should be obliged to pay a dividend to non-members, as in Va. and a few other states. This should be left to the option of the society. Since membership is open, it is not undemocratic to limit dividends on purchases to members. On the other hand the state should not, like Iowa, exclude non-members from dividends, if the individual societies find another policy more practicable. The Iowa law forbids also the use of funds for promotion. Although the societies are much exploited by promoters, this prohibition would tend on the whole to cripple the movement considerably.

Finally, a good many of the states require a limit to the amount of capital stock owned by a society. It is hard to see how this restriction would help the movement. In Europe it has been found desirable to do away with this limit.

The N. J. (1884), Va. (1877) and Pa. (1887) laws are very old, modeled on the English Union rules, but all the others have been made since 1911—mostly in 1915; although some states had earlier laws that have been replaced by recent ones. Minnesota enacted a charter providing for cooperatives in 1870.

Dr. Albert Shaw and James Morgan, the chief of the Department of Labor Statistics at Trenton, N. J., have stressed the importance of state superintendence. Where this is not too much interference, the provision might be a good thing. N. D., S. C., Colo. and Oregon regulate the societies to some extent. Wisconsin sent a representative abroad to study cooperation, established the State Board of Public Affairs, one of whose functions it is to supervise and support cooperative societies, and also appropriated $25,000 to be spent by the University on education in cooperation. Ohio had likewise a committee to study cooperation.

IMPORTANT CHARACTERISTICS OF COOPERATIVES

From the Government Survey (1), Weld's Minnesota Bulletin (2), and the present study (3), the following comparisons may be made. In the order named, average *salaries of managers* were found to be $106, $75.66 and $102. *Interest on capital* (1) from 5 to 8 per cent.; (3) 2 to 12 per cent., with the average probably between 6 and 7; 19 stores not paying interest on share capital. (1) Only two out of 50 did a *cash* business. About half the sales were made on credit at a loss of 1.17 per cent., which is greater than the loss of an average commercial store. (3) Twenty-one give no credit for more than one week. *Occupational ownership.* (1) 63 per cent. farmers' stores studied; (2) farmers owned 86 per cent. of

the stock of the Minnesota stores; (3) nearly 60 per cent. were farmers' stores, about 20 per cent. miners', and about 20 per cent. industrial. *Duration.* (2) Majority out of 62 stores were less than four years old in 1913. *Voting.* (1) Forty, one man one vote, 5 voting according to investment; (2) all one man one vote; (3) ditto except one, which voted shares. Limitation of *share-holding*: (2) out of 53 societies, all but 7 limit the number of shares that one person may own; half the societies make the limit 10 shares, and some 5 shares; (3) 21 limit shares to one; 12 unlimited. *Dividends* on Purchases: (2) 57 provide for trade dividends, but 18 are unable to pay these; 28 average 5.6 per cent. to members and 3.5 per cent. to non-members; (3) 15 do not provide for dividends on purchases, but a corresponding 15 do not sell at market price.

IMPORTANT CONCLUSIONS FROM THE GOVERNMENT REPORT

Stores under corporation laws tended to pass into few hands.

About one-half of the sales are made on credit at a loss of 1.17 per cent., which is greater than the average private store loses on credit (1 per cent.).

Only 18 1/3 per cent. of the store societies showed a net profit of 5 per cent. or over.

Stores cannot buy to advantage. They cannot take advantage of discounts. Their credit is generally poor.

The discounting of bills is too rare a practice (18 out of 60 societies saved from $150 to $7,000 in this way. Average, $1,673).

Taking notes for payment of shares merely burdens the books with fictitious assets. Notes and installments are much abused.

Financial condition shown on the books appears better than it is—uncollectable notes are counted in: Stock is too large. There are too few stock turns.

Taking over an established business has serious disadvantages, including the unloading of stock at high prices, or the securing of shop-worn or ill-adapted goods.

Endorsing notes to get credit for stores is dangerous.

Longer term is advisable for boards than those usually found.

Auditing committee should be elected by members, and form a link between them and the board. Attention must be paid to auditing; expert auditor should be hired from outside.

The stores generally employ too few experts, no salesman or bookkeeper.

Location is important. Stores should be placed in the vicinity of cross-roads or horse-sheds.

Branch stores are injudicious; they rely too much on parent store.

PERIODICALS

Co-operative Consumer, 70 Fifth Avenue, New York City.

Table Topics, Montclair Co-operative Society, Montclair, N. J.

National Labor Picket, 203 Wulsin Building, Indianapolis, Ind. "A National Labor Co-operative Paper."

The Cooperative Herald, Charleroi, Pa.

The Tiger, Christopher Ill. (Publishes cooperative items.)

Ill. State Federation of Labor Weekly News Letter. (Notes.)

Wheeling Majority, Wheeling, W. Va. (News and notes.)

Agricultural Grange News, Olympia, Wasn. (Co-operative Department.)

The Flathead Co-operator, Kalispell, Mont.

The Co-operator's Herald, Fargo, N. D.

Equity News, Madison, Wis. (American Society of Equity.)

Organized Farmer, Wausau, Wis. (American Society of Equity.)

American Co-operative Journal, Chicago, Ill. (Representing the grain and elevator interests.)

National Field. (Farmers' Educational and Cooperative Union of America.)

Western Comrade, Llano Del Rio Colony, California.

COLONIES

Llano Del Rio, near Los Angeles, Cal.

Stelton Fellowship Farm Assn., Stelton, N. J.

Fairhope Industrial Assn., Baldwin Co., Ala.

Crystal Spring Co-operative Homestead Colony, Fla.

Ruskin College Colony, Ruskin, Fla.

INDUSTRIALS

Letters were sent to eighty-nine addresses of possible industrial co-operatives—i.e., cooperative workshops and factories. These elicited twenty-six responses, while thirty-one letters were returned unclaimed.

Many persons are interested in industrial productive cooperation who cannot see the implication of consumers' cooperation. It is also granted that the productive movement is working at the heart of the whole matter. Although these experiments neither do nor can continue a co-operative existence disconnected from the organized consumer, yet a list of recent productive experiments is here appended as of special interest for any who care to investigate their histories.

Foundries

Joint Stock: Co-operative Foundry Co., Rochester, N. Y. (Once part of the founders' cooperative movement of the '70s.)

Glass Manufacture

Joint Stock: Salem (W. Va.) Cooperative Window Glass Co. (Owned for most part by employes, who hold from one to twenty shares of

stock each. A former manager writes about it enthusiastically.) Another correspondent says: The membership is limited to sixty-five and each member is limited to one share of stock.

Alliance Window Glass Co., Salem, W. Va. (Sprung from above company. Members nearly all Belgians. Most workers shareholders, but allotments various.)

Blackford Window Glass Co., Vincennes, Ind. Org. env. 1900 "as a strictly co-operative institution." Plan lasted less than two years.

Banner Window Glass Co., So. Charleston, W. Va., as co-operative as the Salem.

Modern Window Glass Co., Salem, W. Va.

Alliance Window Glass Co., Bristol, W. Va.

Penn Window Glass Co., Pennsboro, W. Va. ("All are semi-cooperatives.")

Independent Window Glass Co., Sisterville, W. Va.

Federated Glass Co., Port Marion, Pa.

("About seventeen years ago, the Penn Window Glass Company (K. of L.) encouraged its membership to build cooperative factories, allowing each member to borrow $250.00 from the national treasury." J. M. Neenan.)

Chairmakers

Joint Stock: Chair Makers Union, Tell City, Ind. (Originally cooperative; started by 27 members, now run by three. "The cooperative end of all firms in our city has proved a failure and none has made a success until the controlling interest drifted into the hands of a few. . . . The men did not work in harmony."—J. Zoercher.)

Shingle Manufacture

Joint Stock: Markham Shingle Co., Markham, Wash. Recently organized as a cooperative, but lasted only about six months. "Could not get along with one another. All wanted to be managers."

Boot and Shoe Manufacture

Existing: Cooperative Shoe Factory, Honesdale, Pa., 1914.

Joint Stock: Brockton Cooperative Boot and Shoe Co., Campello, Mass. Now only a few employe shareholders. Mentioned as cooperative in accounts of thirty years ago. Inc. 1886.

Fishermen

Joint Stock: Union Fishermen's Cooperative Packing Co., Astoria, Oregon. Org. 1897. Formerly cooperative. (Its interesting history is given in the text.)

Laundries

(Existing)

Mutual Laundry Co., Seattle, Wash. Org. 1913 to "protect and promote the interests of the Laundry Workers of Seattle." "Successful beyond measure."

Chatfield Cooperative Creamery-Laundry, Chatfield, Minn. Thoroughly cooperative and Rochdale. Mostly farmer members and patrons. "An assured success." Org. about 1913.

Coopers

Joint Stock: Cooperative Barrel Manufacturing Co., Minneapolis, Minn. Org. 1874.

North Star Barrel Co., Minneapolis. Both of these companies retain some of their cooperative features. They have one man one vote. But, in the case, at least, of the former, the shares have increased in value many hundred per cent., which makes the membership very selective. "Cooperation has been a success with us coopers and ought to be so in other lines of trade."—J. A. Siefferle.

Hennepin County Barrel Co. The Phoenix Barrel Co. consolidated with this company. (There have been two important studies made of these cooperative coopers, the first by Albert Shaw about 1886, and the second by G. O. Virtue about 1905.)

Bakeries

(Existing)

Purity Cooperative Association, Paterson, N. J. Fully cooperative with Belgian features. Very successful. Aided strikers in Paterson strike. Plans further extensions.

Union Cooperative Bakery, Barre, Vermont. Italian. In connection with a cooperative store.

Italian Silk Weavers' Club, West Hoboken, N. J. "Well equipped bakery."

Cooperative Baking Co., Conneaut, Ohio. Finnish.

Nelson Cooperative Association, New Orleans. Bakery (1915).

Straight Edge Distributive Corporation, New York City. Highly successful producers' organization. Wilbur F. Copeland, president.

Mines and Quarries

(Existing)

Barre (Vt.) Cooperative Granite Quarry, Italian.

Welch Cooperative Slate Co., Poultney, Vt.

Cooperative Coal Co., Clinton, Indiana.

Cigar Factories

(Existing)

Commonwealth Cooperative Association, Reading, Pa. Profits go to support the Labor Lyceum. Socialist.

Cigar Makers' Union, Boston. Factory, starting 1916.

Cooperative Cigar Factory, Tampa, Fla.

Miscellaneous

Besides the above groups there are a few individual industrial cooperatives and semi-cooperatives yet to be mentioned. There is a condiment factory in the Nelson New Orleans group. The Independent Harvester Company has several thousand farmer "members." It is having difficulty selling direct because of opposition of the middlemen. The Dyke Mill, Montague, Mass., weaving, printing. Columbus Screw and Machine Co., Columbus, Ohio. N. O. Nelson Manufacturing Co., Edwardsville, Ill. The Independent Taxi Owners' Association, of New York City has cooperative features. A number of names of cooperatives have come to us from various sources, but we have been unable to get any further word concerning them. There were recently five silk mill cooperatives in Paterson, N. J. Letters from the secretaries of state mention: Three laundries in Wisconsin; a machine company; a slate company; a shoe trading and repairing concern; a cannery; a tailor shop; a printing establishment. There are at least three printing and publishing cooperatives among the Finns, coperatively owned and democratically managed.

OTHER INTERESTING EXAMPLES OF COOPERATION

The Tenants' League, New York City; Hyman I. Cohn, president; affiliated with the Cooperative League of America. An earnest attempt to organize the tenants of our cities by city blocks in their defense and to afford them many opportunities for better living—enforcement of agreements, sanitation, children's play facilities, social centers, cooperative kitchens and laundries, and the general cooperative organization of the tenants and neighborhood.

Consumers' Exchanges.

The Industrial Cooperative Union, Milwaukee, Wis.

Workers' Cooperative Association, 2056 North Kenneth Ave., Chicago.

Socialist Exchange, 2659 Fullerton Ave., Chicago.

Socialist Tailors' Shop, Chicago.

Twenty-eighth Ward Cooperative, Chicago (buying from semi-cooperative wholesalers: L. C. Mercantile Co., 1812 South Clark St., Chicago; American Merchants' Syndicate, mail order house, Chicago).

Cooperative Store Co., Waukegan, Ill.

Consumers' Stores Co., 35th and Morgan Sts., Chicago (a farmers' mail order house).

American Federation of Organized Producers and Consumers, Chicago.

National Union of American Society of Equity, Wausau, Wis.

International Equity Exchange, Madison, Wis.

Consumers' and Producers' Exchange, Bismarck, N. D.

American Cooperative Association of Producers and Consumers, Fort Worth, Texas.

Direct Traders' League, Long Branch, Wash.

Cooperative Sanitariums and Hospitals.

Workmen's Circle Sanitarium, Liberty, N. Y.

Cooperative Hospital, Albia, Ia.

Miners' Hospital, West Frankfort, Ill.

Cooperative Restaurants.

Industrial and Agricultural Cooperative Association, New York City.

A number of enterprises cooperative in ideal but having limited cooperative features are:

Filene Cooperative Association, Boston, Mass.

Dennison Manufacturing Co., South Framingham, Mass.

Peoples College, Fort Scott, Kans.

Socialist Supply Co., Iola, Kans.

Great Department Store, Lewiston, Me., with Co-workers' Club.

Jewish Agricultural and Industrial Aid Society, New York City.

Credit Unions.

Ohio and Cal.—Committees to study credit unions, 1913.

Texas and Wis.—Credit Union laws, 1913-14.

N. Y., Mass., N. C., and Utah—Laws 1915.

N. D. and Oregon—Laws pending.

Credit Unions (1915) in N. Y., 19; in Mass., 60.